

CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE (CDLAC) POLICY ALERT

***DUE TO THE INSTABILITY IN THE FINANCIAL MARKETS CDLAC HAS
TAKEN THE FOLLOWING ACTION:***

- **CDLAC Applicants that received an allocation in May, July or September 2008, will not be penalized (no forfeiture of performance deposit and no assessment of negative points), if the Applicant/Issuer returns the allocation to CDLAC no later than November 7, 2008.**
- Applicants that return their allocation by the November 7th date will be permitted to apply for the CDLAC December 3rd carryforward allocation; **ONLY** if the Applicant notifies CDLAC in **writing by close of business on November 6th.** Applicants that return May, July or September allocation will not be required to submit a new application to apply for the December 3rd allocation. CDLAC will use the Applicants' existing public benefit score (May, July, or September Application) to award allocation in December.
- The May Qualified Residential Rental Pool (QRRP) allocation meeting was Not-competitive and all subsequent 2008 QRRP allocation meetings (July, September, and December) were declared competitive which results in a negative point differential for May applicants. The major point difference is in the term of affordability, a 55-year term is worth 10 points in a CDLAC competitive QRRP allocation round. The May QRRP projects (non-competitive) were mandated to a 55-year term. For CDLAC QRRP competitive rounds the 55-year term is optional by providing a 10 point boost to the May applications the scores would be comparable therefore all May Applicants that apply for December allocation will receive a 10 point boost in their public benefit points.
- **CDLAC will hold a special meeting on Friday, October 10, 2008.** The purpose of this meeting is to grant a three-week extension, from October 14th through November 7th 2008, to CDLAC projects that received an allocation in May-2008. The July and September Applicants must determine if they wish to return their CDLAC allocation early, by November 7th to be eligible to apply for December carryforward allocation. The Preliminary CDLAC posting of allocation recommendations for the December 3rd meeting is November 7, 2008. Therefore the November 7th date is the last day that Applications will be accepted for the December 3rd carryforward allocation.